

Subpart A—Negotiation of Inter-governmental Agreements for Financing Federal Assistance Programs—Interest Liabilities on Intergovernmental Funds Transfers

§ 205.4 Scope of subpart.

(a) *Initial programs.* From the later of July 1, 1993, or the first day of a State's 1994 fiscal year, to the end of a State's 1994 fiscal year, this subpart applies, at a minimum, to the following programs, provided they meet the threshold for major Federal assistance programs in the State:

Alcohol and Drug Abuse and Mental Health Services Block Grant (CFDA 93.992);
Chapter 1 Programs—Local Educational Agencies (CFDA 84.010);
Child Support Enforcement (CFDA 93.023);
Family Support Payments to States (CFDA 93.020);
Foster Care—Title IV-E (CFDA 93.658);
Highway Planning and Construction (CFDA 20.205);
Job Opportunities and Basic Skills Training (CFDA 93.021)
Job Training Partnership Act (CFDA 17.250);
Low-Income Home Energy Assistance (CFDA 93.028);
Medical Assistance Program (CFDA 93.778);
National School Lunch Program (CFDA 10.555);
Nutrition Assistance for Puerto Rico (CFDA 10.566).
Pell Grant Program (CFDA 84.063);
Rehabilitation Services—Basic Support (CFDA 84.126);
Social Services Block Grant (CFDA 93.667);
Special Education—State Grants (CFDA 84.027);
Special Supplemental Food Program for Women, Infants, and Children (CFDA 10.557);
State Administration Matching Grants—Food Stamp Program (CFDA 10.561);
Supplemental Security Income (CFDA 93.807);
Unemployment Insurance (CFDA 17.225);

(b) *Threshold of materiality.* From the later of July 1, 1994, or the beginning of a State's 1995 fiscal year, and thereafter, this subpart applies, at a minimum, to all programs that meet the threshold for major Federal assistance programs in a State.

(c) *Determining major Federal assistance programs.* Unless otherwise specified in a Treasury-State Agreement, major Federal assistance programs will be determined from the most recent Single Audit data available from the U.S. Bureau of the Census and, if necessary, other data from the most recent fiscal year for which funding can be documented.

(d) *Covering additional programs.* A State and the FMS may agree, in a Treasury-State Agreement, to cover additional programs under this subpart. However, the FMS has unilateral authority to require a State and a Federal agency to cover additional programs under this subpart if a State or a Federal agency fails to comply with subpart B of this part, as set forth in §§ 205.22 and 205.23.

(e) *Programs not covered by this subpart.* Programs in the Catalog of Federal Domestic Assistance that are not covered by this subpart are subject to subpart B of this part.

(f) *Grace period for colleges and universities.* Unless otherwise specified in a Treasury-State Agreement, this subpart does not apply to a State institution of higher education prior to a State's 1995 fiscal year, notwithstanding any other provision of this section.

[57 FR 60676, Dec. 21, 1992, as amended at 59 FR 51855, Oct. 13, 1994]

§ 205.5 [Reserved]

§ 205.6 Funding techniques.

(a) *Zero balance accounting.* Zero balance accounting is a method of transferring Federal funds to a State based on the actual amount of funds that are paid out by the State each day after a disbursement. Neither the Federal Government nor a State will incur an interest liability when this funding technique is properly applied.

(b) *Estimated clearance.* Estimated clearance is a method of transferring Federal funds to a State based on the estimated amount of funds that are